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**FRANKLIN ASSOCIATION
FOR RETIRED CITIZENS, INC.**

**Financial Statements
June 30, 1990**

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Release Date 8-21-01

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.

JUNE 30, 1990

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**Luffey
Huffman
& Monroe**

AS FELLOW OF ACCOUNTING PROFESSION
CERTIFIED PUBLIC ACCOUNTANTS

James L. Luffey, CPA, CMA
James I. Huffman, CPA,
J. Paul Monroe, CPA
James Anthony Olin,
Cynthia R. Olin, CPA

INDEPENDENT AUDITORS' REPORT

**The Board of Directors
Franklin Association for Retarded Citizens, Inc.
Winnsboro, Louisiana**

We have audited the statement of financial position of **Franklin Association for Retarded Citizens, Inc.** (a nonprofit organization - the Association) as of June 30, 2000 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2000, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2000 on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**The Board of Directors of Franklin
Association for Retarded Citizens, Inc.**
Page 2

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included as "Supplementary Information" in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Association. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



(A Professional Accounting Corporation)

November 22, 2000

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2000

ASSETS

Cash	\$ 62,216
Accounts Receivable	1,888
Prepaid Expenses	1,607
Land, Building and Equipment	121,713
Accumulated Depreciation	<u>(91,204)</u>
TOTAL ASSETS	\$ <u>96,014</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ 2,894
Payroll Taxes Payable	1,132
Other Accrued Liabilities	<u>8,620</u>
Total Liabilities	12,646

Net Assets

Unrestricted	83,818
Temporarily Restricted	<u>1,550</u>
Total Net Assets	85,368

TOTAL LIABILITIES AND NET ASSETS	\$ <u>98,014</u>
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The accompanying notes are an integral part of this financial statement.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF ACTIVITIES
YEAR END-JUNE 30, 2008

UNRESTRICTED NET ASSETS

Public Support	
Inter-governmental	\$ 196,340
Membership	548
Donations	<u>264</u>
Total Public Support	197,152

Revenues	
Salaries and Service Fees	17,189
Gains on Sale of Assets	<u>258</u>
Total Public Support and Revenues	214,599

Other Support	
Net Assets Released from Time Restrictions	<u>282</u>
Total Public Support and Revenues and Other Support	214,881

Expenses	
Program Services	
Vocational Training	102,689
Florida Skills Work Activity-Center	<u>6,287</u>
Total Program Services	108,976
Supporting Services	
Management and General	<u>59,865</u>
Total Expenses	168,841

Increase in Unrestricted Net Assets	(2,111)
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TEMPORARILY RESTRICTED NET ASSETS

Net Assets Released from Time Restrictions	<u>(2,500)</u>
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Increase in Temporarily Restricted Net Assets	<u>(2,500)</u>
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Increase in Net Assets	(2,611)
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Net Assets at Beginning of Year	<u>88,779</u>
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NET ASSETS at END OF YEAR	<u>\$ 86,168</u>
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The accompanying notes are an integral part of this financial statement.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008

	Program Services			Supporting Services		Total Expenses
	Basic Skills			Management and General		
	Vocational Training	Work Activity Center	Total			
Salaries	\$ 86,144	\$ 3,800	\$ 90,000	\$ 33,800	\$ 123,800	
Payroll Taxes	6,646	-	6,646	2,684	9,330	
Employee Benefits	13,637	-	13,637	8,269	21,906	
Total Salaries and Related Expenses	106,427	3,800	110,227	44,753	154,980	
Food	-	1,500	1,500	-	1,500	
Insurance	9,100	-	9,100	-	9,100	
Insurance Expense	150	-	150	-	150	
Insurance	2,800	50	2,850	-	2,850	
Miscellaneous	-	-	-	50	50	
Office Supplies and Postage	500	-	500	-	500	
Professional Fees	-	-	-	4,800	4,800	
Rent	2,400	-	2,400	-	2,400	
Supplies	200	-	200	-	200	
Taxes and Licenses	80	-	80	5	85	
Telephone	400	-	400	-	400	
Training	2,000	-	2,000	-	2,000	
Travel	100	-	100	-	100	
Utilities	4,115	-	4,115	-	4,115	
Vehicle Expense	9,887	-	9,887	-	9,887	
Total	156,758	1,550	158,308	50,060	208,368	
Depreciation of Buildings and Equipment	13,000	-	13,000	-	13,000	
Total Functional Expenses	169,758	1,550	171,308	50,060	221,368	
Allocation of Administrative costs:						
Overhead to Programs	50,060	-	50,060	150,000	-	
TOTAL PROGRAM AND ADMINISTRATIVE EXPENSES	\$ 219,818	\$ 1,550	\$ 221,368	\$ 150,060	\$ 371,428	

The accompanying notes are an integral part of this financial statement.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

Cash Flows From Operating Activities

Decrease in net assets	\$ (1,401)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	15,031
Gain on sale of assets	(280)
Changes in assets and liabilities:	
Accounts receivable	16,646
Prepaid expenses	(287)
Accounts payable	115
Payroll taxes payable	(1,772)
Other accrued liabilities	8,425
Total adjustments	<u>37,288</u>
Net cash provided by operating activities	35,877

Cash Flows From Financing Activities

Proceeds from sale of assets	150
Payments on capital lease	<u>(6,857)</u>
Net cash used by financing activities	<u>(5,387)</u>

Net Increase in Cash **30,490**

Cash at Beginning of Year **32,170**

CASH AT END OF YEAR **\$ 62,210**

The accompanying notes are an integral part of this financial statement.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

Note 1 - Description of Organization

Franklin Association for Retarded Citizens, Inc. (the Association) was established in 1972, incorporated in September 1982, and received their tax exempt status as a 501(c)(3) organization in December 1983. Its purpose is to promote the general welfare of mentally retarded persons residing primarily in Franklin parish, Louisiana. Its programs are designed to assist and train clients in work activity and self-help skills as they may become productive within the community. The principal program is vocational training of adults, 20 years of age and older.

Note 2 - Summary of Significant Accounting Policies

A. Financial Statement Presentation and Basis of Accounting

The Association's financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of June 30, 2000 the Association has no permanently restricted net assets.

The financial statements of the Association have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

B. Donated Services

Members, agencies, businesses, volunteers, and others contribute substantial services toward the fulfillment of projects initiated by the Association. No amounts have been reflected in the financial statements for donated services because the donated services do not meet the requirements for accounting recognition under SFAS 117.

C. Land, Buildings and Equipment

Land, buildings and equipment are stated at cost. All donated capital assets are recorded at fair market value on the date of the donation. Depreciation is computed on a straight-line basis over the useful lives of the assets. The Association utilizes estimated lives of 5 years for vehicles and household improvements, 5 to 10 years for furniture and equipment, and 20 to 30 years for buildings.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

D. Compensated Absences

The financial statements do not include an accrual for vacation or sick pay. The Association's policy is that vacation days and/or sick days cannot be carried over to subsequent years.

E. Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

F. Programs

Vocational Training's income is derived from the Office of Developmental Disabilities, Louisiana Department of Health and Hospitals. These funds are used to train clients in vocational and pre-vocational activities and supportive services.

The Bertha Nelson Work Activity Center's income is derived from sales of products made by clients and services performed by clients which include janitorial, laundry, washing cars, and contract services.

G. Tax-Exempt Status

The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has no provision for Federal income taxes. Contributions to the Association are tax deductible within the limitations proscribed by the Code.

H. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

Note 3 - Land, Buildings and Equipment

Land, buildings and equipment consist of the following at June 30, 2000:

Buildings	\$ 42,104
Furniture and Equipment	13,704
Vehicles	48,155
Leasehold Improvements	1,750
Land	10,000
	<u>121,713</u>
Less: Accumulated Depreciation	<u>(91,269)</u>
Net Land, Buildings and Equipment	<u>\$ 30,444</u>

Note 4 - Related Party Transactions

The Association has an operating lease of a building with the President of the Board. The building is used for training clients. The annual lease amount is \$2,400. The lease term is one year with an automatic renewal each year.

Note 5 - Disclosures About Concentrations

The Association received over \$100,000 in funding from the state of Louisiana through the Office of Children with Developmental Disabilities during the year ended June 30, 2000. This represents over 85% of the Association's revenue.

**SUPPLEMENTARY INFORMATION -
GRANT ACTIVITY**

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2008

<u>Source Program/Program Title</u>	<u>Grant Assistance Number</u>	<u>State Award Amount</u>	<u>State Financial Assistance Current Year</u>	
			<u>Revenue Recognized</u>	<u>Expenditures</u>
Louisiana Department of Health and Hospitals Office for Citizens with Developmental Disabilities	DETD- 08J	\$108,498	\$108,498	\$108,498

See Notes to Schedule of Expenditures of State Awards.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 1999

Note 1 - General

The Schedule of Expenditures of State Awards presents the activity of all state award programs of the Association.

Note 2 - Basis of Accounting

The Schedule of State Awards is presented using the accrual basis of accounting, which is more fully described in Note 2 to the Association's financial statements.

Note 3 - Relationship to Statement of Activities

State award revenue and Medicaid revenue are included in intergovernmental revenue on the Statement of Activities. Intergovernmental revenue consists of the following:

State Awards	\$ 183,498
Medicaid Revenue	<u>6,848</u>
Total Intergovernmental Revenue	<u>\$ 190,346</u>



**Luffey
Huffman
& Monroe**

LA Professional Accounting Organization
CERTIFIED PUBLIC ACCOUNTANTS

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Francis A. Huffman, CPA
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Catherine Carls, CPA

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Franklin Association for Retarded Citizens, Inc.
Winnsboro, Louisiana

We have audited the financial statements of the Franklin Association of Retarded Citizens, Inc. (a non-profit corporation – the Association) as of and for the year ended June 30, 2000, and have issued our report thereon dated November 22, 2000. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assistance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their

**Franklin Association for Retarded Citizens
Winnsboro, Louisiana**

assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

This report is intended for the information of management of the Association, other entities granting funds to the Association and the Legislative Auditor for the state of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties.



[A Professional Accounting Corporation]

November 22, 2000